CONNECTICUT ASSOCIATION FOR
HEALTHCARE AT HOME™

TESTIMONY

Submitted by Deborah R. Hoyt, President and CEO
The Connecticut Association for Healthcare at Home

Aging Committee Public Hearing

February 17, 2015

IN SUPPORT: S.B. 860 AN ACT CONCERNING PRESUMPTIVE MEDICAID ELEIGIBILITY FOR HOME CARE

Good morning Senator Flexer, Representative Serra, and members of the Aging Committee. My name is Deborah Hoyt, President and CEO of the Connecticut Association for Healthcare at Home.

The Association represents 62 licensed home health and hospice agencies that foster cost-effective, person-centered healthcare for the Connecticut's Medicaid population in the setting they prefer most – their own homes.

The Association and our member agencies collaborate closely with the Department of Social Services (DSS) and are the solution to achieving the State's Long Term Care goals of Aging in Place and rebalancing through the Money Follows the Person (MFP) Program.

We SUPPORT S.B. 860 AN ACT CONCERNING PRESUMPTIVE MEDICAID ELEIGIBILITY FOR HOME CARE to allow more elderly persons to receive cost-effective care in a home setting rather than an institution by establishing a system of presumptive Medicaid eligibility.

While the Department of Social Services (DSS) has been making efforts to improve its timeliness in processing Medicaid home care eligibility paperwork for clients awaiting home-based services, many individuals and their family do not have the luxury of time or the financial resources to wait 3 to 6 months for DSS's decision regarding their eligibility.

A majority of these individuals clearly are eligible and the historic backlog has been tragic for many families who have had their loved one die while waiting months for their paperwork to be approved.

DSS's newly dedicated Long Term Care Unit may be well-positioned to make presumptive eligibility workable over time, however, it hasn't been operational long enough to confirm its affect on decreasing eligibility wait times.

The strain on the Medicaid client and their family members has ripple effects throughout our Connecticut economy. Family members may be forced to stay home to care for their loved one and lose their job as a result, leading to a new state unemployment claim and need for food and other assistance.

An Area Agency on Aging (AAA) study estimated Connecticut could save $6,033 per month for every client deemed presumptively eligible for home and community-based services (HCBS) rather than paying for institutional care. The CT Home Care Program explores Medicaid eligibility for approximately 2,157 clients annually. The AAA study showed preventing premature institutional care for one month and for 25% of the 2,157 applicants could save the state $3,251,787. Presumptive eligibility is offers the state a tremendous cost savings, and is the right thing to do for Medicaid clients.

While DSS's Long Term Care Unit is in the process of gearing up, we need an immediate solution to bridge a critical gap during the re-engineering process.

Presumptive Eligibility (PE) legislation is that action.

Similar legislation in other states proves that PE works:

In Washington State, their PE program helped shrink the average wait time required to determine Medicaid financial eligibility by 66% (from 37 days to 17 days). WA officials determined that PE clients saved Medicaid an average of $1,964 a month by authorizing HCBS for people who would have entered an institution if services were delayed.

Colorado's PE pilot cost $106,879, but saved the state a total of $407,012. These savings were generated by diverting patients from costly nursing facilities to home and community based services (HCBS). Colorado officials estimated a third of Medicaid hospital discharges could be diverted to home care, but study results showed, "About 60% of the Medicaid eligible people discharged from hospitals avoided nursing home placement."

Researchers at the University of Kansas (KU) found Kansas' PE pilot would have only needed to divert 5 people (2.5% of 200) away from institutional care in order for it to be cost effective. In the end, the PE pilot successfully diverted 11% of participants (22 of 200) away from nursing homes and into HCBS. The KU study documented a less than 1% error rate in determinations. Rosemary Chapin, the study's author, stated they feared the pilot would incur significant costs, so state lawmakers created a large "safety fund" just in case. The program was so cost effective the safety fund went untouched.

Ohio's PASSPORT, administered by AAAs, is a Medicaid waiver program that has PE for home care. PE has contributed to Ohio reducing the percentage of its Medicaid budget spent on institutional care from 60% to 48%. OH data indicates the error rate in assessments is about 1% of applications.

The experience in these states and others proves that presumptive eligibility not only works, but saves the state considerable money.

I thank you for raising this bill and appreciate the opportunity to testify. If you are interested in the detailed analysis of other states' experiences, I would be happy to provide the data to you.

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